SALES TAX EXEMPTIONS/EXCLUSIONS CRITERIA TO EVALUATE

Exemption/Exclusion	Broad Citizen	Critical to Industry		Valid in	Other Tax	Treat Likes	Cost to Comply	Taxe	es Currently		1st Year Recovery
<u>Description</u>	Benefit (over cost)	Competition	Who are Exempt	Current Economy	<u>Impacts</u>	<u>Alike</u>	and Collect		ided @ 5%*	j	if Taxed at 5%**
Specific Uses Not Taxed: Production Exemption-		Business	The	If the	Tax	≤	П 20	(2	in 000)		(\$ in 000)
Equipment	ᄧᅩ	sine	e		Sh	ust	sy t	¢.	63,852	æ	55,600
Supplies	Broad	SSE	ćеm	эхе	ifts	tre	ö O	\$ \$	•		42,100
Irrigation			n p ti.	mp.	20	at t	m d	φ \$	2,681	э \$	2,300
Total Production	based	impact to industry (jobs	exemption must be	exemption	shifts ought to	Must treat taxpayers with similar circumstances equally, even if not in the	Easy to administer by taxpayers an	\$	114,869	<u> </u>	100,000
Trade-in value	g Q	ct to	านเ	was	to t	aye	er	Φ Φ	114,009	Ф \$	100,000
Motor vehicles used o/s Idaho	and	<u>o</u> :	s t b	IS <	be r	STE	by t	φ \$	_	\$	_
Interstate trucks		ndu		valid	minimized.	¥i .	ax	\$	5,224	\$	1,000
Food stamps/WIC	go Ja	stry	ear	- ×	<u> </u>	<u>s</u> .)ay	\$	-	\$	-
Out-of-state contracts	not business population	<u></u>	clear and	hen or today'	<u>r</u> ed	ᆵ		\$	2,938	\$	1,000
Pollution control equipment	ess	sdc		when originally today's econo		ar c	and d g	\$	2,831	\$	2,700
School Lunches/Sr Citizen	or on must		onc	gina	0 U	irct	d ta ove	\$	-	\$	-
Railroad rolling stock	org	eat	concise.	ally	No undue	smi	rnn Xin	\$	2,125	\$	1,900
Broadcast equipment/supplies	or organization must be greate	created/maintained). firms.		inally pas economic	Je k	tan	and taxing authorities d government should	\$	1,763	\$	1,600
Commercial aircraft	nization : greater	ms.	Easy		burden shifted to	ces	utho	\$	1,575	\$	500
Sale/lease of business/assets	ion	ii Iii	ð	d, c	den	eç	ori t i	\$	1,395	\$	700
Ski lifts/snowgrooming equip	specific.	ain	to understand	sed, can the sa circumstances	sh:	lua	ld b	\$	502	\$	450
Clean rooms	specific. than the	ed	der	the tanc	ftec	چ ج	be la	\$	400	\$	375
Publishing equipment/supp	(D ·		star	Sa	ō	eve	he a low.	\$	113	\$	100
Lodging/eating/drinking places	The cost	Competitive) pr	me ?		Ď ≕	id m	\$	50	\$	30
Drivers education autos	The benefit to cost.	ηpe	what is	be	others.	no	<u></u>	\$	32	\$	25
Incidential sales of TPP	ene	ă i	<u>s</u>	said	-	₽.	stra	\$	-	\$	-
Donations of real property - Id	fit t			<u>ā</u> ≤	∃ffe	‡	tive	\$	-	\$	-
Common carrier purchases	o #	vi t †	and who	lwhen	<u>c</u>	Sa	8	\$		\$	_
Total Specific uses Not Taxed	the general	with out-of-state	∞.	n examined	Effect on other taxes	same industry.	The administrative cost to business low.	\$	174,096	\$	110,380
Goods Not Taxed:	<u> </u>	-sta	exempt	ned	tax	stry	sine				
Motor fuels		ate	pt.	<u>=</u> .	es.		SS	\$	50,310	\$	50,000
Utility sales								\$	47,628		47,000
Prescriptions/medical equip								\$	15,529	\$	13,500
Heating materials								\$	2,429	\$	2,300
Used mobile homes								\$	2,300	\$	1,500
New manufactured homes								\$	1,607	\$	1,600

^{*}General Fund Revenue Book, FY 2004; Prepared by DFM, dated January 2003. Estimate of sales/use taxes avoided based upon current economic behavior.

^{**}Also assumes no change in current economic behavior.

SALES TAX EXEMPTIONS/EXCLUSIONS CRITERIA TO EVALUATE

Exemption Description	Broad Citizen Benefit (over cost)	Critical to Industry Competition	Clear: What & Who are Exempt	Valid in Current Economy	Other Tax Impacts	Treat Likes Alike	Cost to Comply and Collect		xes Currently oided @ 5%*		1st Year Recovery if Taxed at 5%**
(goods not taxed - continued)	<u>Deficili (Over cost)</u>	<u> </u>				Alike	<u> </u>		(\$ in 000)		(\$ in 000)
Funeral caskets		Sus	The	If the	ax	≥	Easy	\$	889	Ф	800
Precious metal bullion	Bro	Business	é		sh	ust	ζ. 	Φ	465	\$	400
Telecommunications equip	Broad -	SS	(em	×e	ifts	tre	<u> </u>	Φ	663	\$	601
Nonprofit literature			p <u>t</u> .	B B	0	at t	m d	Φ	95	Ф \$	90
Official documents	based	ıpa	9 S	exemption	ght	ax	D.	Ф	95 47	ъ \$	90 45
Containers	ed	ct t	exemption must be	was	ō	oay	ter	Φ	23	Ф \$	14
	and	<u>o</u>	stb	as \	be	ers	by	Ф	23	Ф \$	14
Vending machines	ă	ndı		<u>∕ali</u>	≣.	<u>≰</u> .	tax	Φ		Φ	_
Total Goods not taxed	not business population	impact to industry (jobs	clear and	valid when originally today's econd	Tax shifts ought to be minimized.	th simila	to administer by taxpayers and taxing authorities and government should	\$	121,985	\$	117,850
Services Not Taxed:	on sss	sdc		ori <u>c</u> ıy's		<u> </u>	and d go				
Health & Medical services	or orgar must be	CIT	concise	jina ecc	No undue burden shifted to	rcu	nd taxing authorities government should	\$	205,707	\$	190,000
Professional services	org st k	eat	ise	onc 🎚	ηbr	ms	rnn Xing	\$	138,883	\$	70,000
Construction	or organization specific. must be greater than the	created/maintained). firms.	m	inally pas: economic	e b	tan	nen	\$	99,031	\$	50,000
Business services	nization : greater	me ns.	Easy to		ŭro	ces	t sh	\$	56,393	\$	28,000
Information services	ion	in in	ð		den	е С	nou bri t i	\$	41,706	\$	40,000
Repairs	₽ \$	<u>a</u> .	S	can umst	sh	lua	Id es.	\$	37,622	\$	30,000
Social services	specific. than the	ed	understand what is	the	ifte	₹	s. T	\$	32,064	\$	16,000
Transportation services	(D	<u> </u>	sta	ses ces	<u>ς</u>	eve	The a	\$	16,150	\$	8,000
Educational services		Competitive	nd	iame	og Q	'n.	adr	\$	14,320	\$	7,500
Personal services	st e b	np	¥	be	others.	f n	<u> </u>	\$	9,128	\$	5,000
Lottery tickets & pari-mutuel	ěn	etit	at:		-	¥ ;	istra	\$	6,787	\$	5,000
Agricultural & Indust services	efit	e Ve	s മ	<u>a</u> :	<u> </u>		ativ	\$	1,366	\$	900
Miscellaneous services	ð	<u>≤</u> .	nd	said when	ect	O O	e C	\$	1,559	\$	170
Media measurement services	the	th c	and who is	en e	on .	am	ost	\$	46	\$	30
Total services not taxed Specific Entities Not Taxed:	The benefit to the general cost.	with out-of-state	is exempt.	examined in	Effect on other taxes.	Must treat taxpayers with similar circumstances equally, even if not in the same industry.	The administrative cost to business elow.	\$	660,762	\$	450,600
State/Local govt purchases								\$	19,710	\$	19,500
Hospital purchases								\$	13,944	\$	13,500
Educational institution purch								\$	5,271	\$	5,000
INEEL R&D purchases								\$	3,458	\$	3,000
Sales by indian tribes								\$	3,193	\$	100

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SALES TAX EXEMPTIONS/EXCLUSIONS CRITERIA TO EVALUATE

Exemption	Broad Citizen	Critical to Industry	Clear: What &	Valid in	Other Tax	Treat Likes	Cost to Comply	Taxes Currently		1st Year Recovery	
<u>Description</u>	Benefit (over cost)	<u>Competition</u>	Who are Exempt	Current Economy	<u>Impacts</u>	<u>Alike</u>	and Collect	Avoided @ 5%*		if Taxed at 5%**	
(entities not taxed - continued)		Bu	The	If the	T _a	7	Easy	(\$ in 000)		(\$ in 000)	
Sales by non-retailers	В	Business	Ф Ө		Tax shifts ought to	Must treat taxpayers	sy t	\$ -	Ψ	-	
Vending machines sales	Broad	ess	x en	exe	ıifts	Ē	Ö 20	\$ 1,589		750	
Motor vehicles/family	ı		npti	пр	2	ä	dm	\$ 1,462	\$	1,000	
canal company purchases Incidential church sales	based	ıpa	on	tion	ght	axp	inis	\$ 721 \$ 505	\$ \$	600 50	
Auto manfacturer rebates	ed a	impact to	mu T	W _S	ō) ay	ter	\$ 505	Φ	50	
Health entity purchases	and		exemption must be clear and concise.	exemption was valid when originally passed, today's economic circ	be -	SIB	to administer by taxpayers ar	\$ 248	\$	100	
Food bank purchases		Jpr	Ö O	alic	<u>B</u> .	<u>≨</u> .	tax	\$ 177	•	100	
Forest protective purchases	oop it bu	ıstr	lea	₹	<u> </u>	h <u>s</u> .	рау	\$ 32	_	25	
4H and FFA sales	ula:	y (i	r ar	nen tod	minimized.	<u>⊒</u> .	ers a and	\$ -	\$	-	
Sales by outfitters/guides	not business population	industry (jobs	JQ O	nen orio today's		with similar circumstances		\$ 13	\$	10	
Meal sales by churches			önö	gin ec	lοι	¥rci	d ta	\$ -	\$	-	
Centers for independent living		ea.	<u>Si</u> se	ally	ind	š	taxing	\$ 4	\$	2	
Nonsale clothier purchases	organization ist be greate	created/maintained). firms.		inally pas economic	No undue burden shifted	star	nd taxing au government	\$ -	\$	-	
Ronald Mcdonald rooms	nization greater	ted/ma firms.	Easy	sse c ci	ourc	ıce		\$ 1	\$	1	
Federal Excise tax - retail	ion atei	aint	₹	ircu	den	S e C	thorities should	\$ -	\$	-	
Federal constitutional items		<u>a</u> .	un	ms.	sh	qua	ies.	\$ -	\$	-	
Other federal/state prohibitions	specific. than the	led	der	sed, can the sa circumstances	i t e	equally, even	be ∃	\$ -	\$	<u>-</u>	
	(D ·		sta	es (ces	to d	eve	The a				
Total Entities Not Taxed	The cost.	Competitive	to understand what is	same be	others.	≕:	administrative	\$ 52,860	\$	43,738	
Grand Total of all categories	benefit to the	etit	nat :			not in	nistr	\$ 1,009,703	\$	722,568	
Grana Total of all catogories	efiit	ii.		said when examined	Effect	n the	ativ	Ψ 1,000,100	Ψ	722,000	
	t o	<u>¥</u> .	and who	₩	ect	О					
	.he	[]	₩ N	en e	on other	am	cost to				
	general	÷inc	<u>s</u> .	exa	e t	е - :					
	nera	<u> </u>	ex	<u> </u>	er	ıdu	sud				
	<u>n</u>	with out-of-state	exempt	ed	taxes	same industry	business				
		fe	o t .	⋽.	Š.	• *	SS				
			Millions of Dollars								
State/local sales tax revenue loss			Year								
from E-Commerce (remote sellers)*			2001	\$ 44	\$30 - \$3	5		Idaho adopting Uni		n	
*Taken from Center for Business and Economic Research,			2006	\$ 151			Sales and Use Tax Administration Act,				
University of Tennessee, September 2001			2011	\$ 185			AND U.S. Congr	essional action.			

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